

FBIS

DAILY REPORT

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CHNOUPEK ON BLOC'S DISARMAMENT, MBFR POLICY

AU091504 East Berlin HORIZONT No 18/1983 in German pp 10-11

[Article by Bohuslav Chnoupek, member of the CPCZ Central Committee and CSSR minister of foreign affairs: "Active Policy for Solving the Main Task of Our Era"]

[Text] Since its beginning, this year has been marked by an all-comprehensive and intensive activity of the Warsaw Pact member countries which, aware of their historical responsibility, are leading the struggle against a nuclear war and for preserving peaceful life on our continent and throughout the world.

Fresh evidence of these efforts was the Moscow meeting of leading party and state functionaries from seven socialist countries in June. In their statement on its results on 1 July, the CPCZ Central Committee Presidium and the CSSR Government highly valued the joint statement and completely identified themselves with the analysis of the current international situation that was made at the Moscow meeting. It was necessary to come out with a statement on the most urgent world problems and on the possibilities of constructively solving them on the collective basis of the European socialist countries. The Moscow joint statement has confirmed the assessments and conclusions regarding the international situation that were expressed in the Political Declaration of the Warsaw Pact member countries of 5 January of this year. These fundamentally correct assessments have been deepened by the current analysis which clearly reflects the concern of the participants in the Moscow meeting over the continuing complications in international developments.

At its historically important meeting at the beginning of January 1983, the Warsaw Pact Political Consultative Committee pointed out with concern that the development of events in the world is acquiring a more and more dangerous character through the constant activation of the aggressive forces of imperialism. The international situation is constantly becoming more complicated, international tensions are growing, and the danger of war, above all, of a nuclear war, is increasing. As is put forth in the Moscow statement, these negative factors have made themselves felt even more strongly in the most recent past. An expression of this dangerous development of events in the world is primarily the practical measures of the United States and of its NATO allies. Through these measures a military superiority, primarily in the nuclear sector, is to be achieved. This is proved by the facts in the military, political, and economic sectors.

The Prague Declaration -- A Topical Instrument

What has caused this sudden turn in the policy of the United States and of NATO, which has led to the present explosion of political tensions? The causes are to be found in the unfavorable changes that have developed for imperialism. It was primarily the 1970's which became a period of the further growth of the strength and influence of the socialist community. In this period we succeeded in achieving an approximate military-strategic balance with the West. It was precisely our dynamic policy of international detente that caused the great positive changes in international relations. Imperialism suffered serious losses in the regions of the Asian, African, and Latin American countries, where it has neocolonialist interests. The revolutionary changes in Angola, Ethiopia, and Nicaragua, as well as in other countries, which were caused by objective factors, were regarded by imperialism as a defeat of its own policy. That is why, for the sake of its "rehabilitation," it has challenged the law-governed historical development and is attempting at any cost to prevent further losses of the capitalist system. The spearhead of this policy is directed against the Soviet Union and against the entire socialist community.

The Warsaw Pact countries have shown by their principled stance how one must further proceed in this complicated situation. This has also been stressed in the stance of the CPCZ Central Committee Presidium on the Moscow meeting which says that "in a situation where through the fault of the imperialist circles of the United States and of NATO the tensions and the destabilization of relations between the states are further increasing and the danger of a nuclear war with its disastrous consequences is growing, the complex of the proposals of the Prague Political Declaration continues to be topical and constitutes a realistic program of the struggle for ending the arms race, preventing war, and safeguarding peace."

The facts of international life and the experiences of our Czechoslovak foreign policy prove quite clearly that the Political Declaration of the January session of the Warsaw Pact member countries' Political Consultative Committee constitutes a directive of great, peace-creating force which, on the one hand, has come at the right time -- and thus is a highly topical matter -- and which, on the other, with its most profoundly humane philosophical content will exert a long-term effect to everyone's benefit.

Proposal on the Renunciation of Force

These are the focal points of our country's engagement in the multifarious development process of international relations and its daily foreign policy; a policy which, as Gustav Husak, CPCZ Central Committee general secretary and president of the republic, stressed from the lofty forum of the World Assembly for Peace and Life, Against Nuclear War, "serves the solemn duty that is laid down in our Constitution with the words: "We want to live in peace and friendship with all peoples of the world with different social systems."

An expression of these endeavors is primarily our creative participation in implementing the key initiative of the Prague Political Declaration, which consists in the Warsaw Pact countries' proposal to the NATO states to conclude a treaty on mutual renunciation of the use of military force, and on maintaining peaceful relations, a treaty which is open to all other states. As is known, the CSSR has been asked to convey this declaration to 134 countries of the globe and to international organizations, and to ensure its publication as an official UN document. There is every indication that this proposal has penetrated the awareness of the political circles and of the broad world public. By its specific nature and its realism, it has become a catalyst in clarifying and crystallizing views and positions. Many nonaligned and neutral states of Europe and developing countries have also adopted a benevolent attitude. UN Secretary General Perez de Cuellar has reacted very positively to this proposal.

Some representatives of nonaligned and neutral countries stated that many points of this proposal confirm "in an imposing manner" the efforts of the socialist countries for detente, for halting the arms race, and for confidence-building measures. Thus, for example, Ishaya Audu, foreign minister of one of the most important countries on the African Continent -- Nigeria -- stated in the presence of the diplomatic corps: "Nigeria pays tribute to the attitude of the CSSR and of the other Warsaw Pact countries toward disarmament which has been incorporated in the Prague Declaration. The initiatives contained in this declaration could open up the road to disarmament if they were implemented." Not even the governments of the most important states of the Atlantic Alliance could reject this proposal, taking into consideration their own domestic policy interests. Several of these have even declared their interest in conducting a dialogue about problems connected with concluding a treaty. Evidence of this also came recently when Chancellor Kohl stated during his official visit to the USSR: "It is with interest that we have received the proposal contained in the Prague Declaration, to which the Warsaw Pact member states once again referred at the Moscow summit meeting."

One must not overlook the fact, however, that the developed capitalist states as a whole -- either on the basis of the "seven" in Williamsburg or at the NATO Council session in Paris -- have thus far been unable to give a joint and, above all, official basic reply to the joint proposal of the Warsaw Pact countries. In doing so the Warsaw Pact countries have displayed a maximum of understanding for the needs and interests of all the other countries. In this context they suggested to the Western representatives a creative exchange of ideas on various aspects of the draft treaty in which all the interested states could participate. This first and foremost concerns the possible obligations resulting from the treaty as well as their joint relationship to the obligations resulting from the UN Charter, the Helsinki Final Act, and from other bilateral treaties and agreements. They also proposed that bilateral contacts with the NATO states and other countries be continued in order to examine the pertinent questions in multilateral negotiations and talks to make the level and forms acceptable for all. Since, however, the NATO states have still not declared a common official position, the top party-state leaders of the Warsaw Pact countries at their Moscow meeting once again requested that they agree to specific negotiations about a draft of the aforementioned treaty, a treaty that would be open to all countries.

To Avert a Nuclear Confrontation From Europe

The most adventurous course of the West also became evident during the negotiations on nuclear weapons which are being conducted by the United States, as so often, not with the objective of achieving the agreement which is so necessary, but for the purpose of pretending that the conclusion of an agreement is possible in order to thus gain time for a further escalation of armaments, as well as for the development, manufacture, and deployment of new weapons systems.

The Warsaw Pact countries see a way out of this situation, above all, in averting the danger of a nuclear confrontation in Europe. It is in this context that they fully supported the pertinent specific Soviet proposals at the Moscow meeting. They requested that the West even this year should contribute to concluding an agreement on banning the deployment of nuclear intermediate-range missiles in Europe, which would prevent the stationing of additional nuclear missiles in Western Europe and thus at the same time would impart an incentive to a corresponding reduction in intermediate-range weapons in Europe.

Just as its socialist fraternal countries, Czechoslovakia upholds the position that the Geneva negotiations still provide an opportunity for reaching an agreement on reducing the nuclear arsenals rather than enlarging them. This opportunity must be seized before it is too late. Czechoslovakia also identifies itself with the USSR's request for absolute parity of the two military groupings in Europe as far as missiles, aircraft, and warheads are concerned, and at the lowest possible level at that.

In their joint statement the socialist states come out for a ban on the deployment of all weapons in space; they endorse an immediate freeze of the nuclear weapons of all nuclear powers, and also advocate that the powers pledge not to be the first to use nuclear weapons. Once more they come out in favor of creating nuclear free zones in northern Europe, in the Balkans, and in other areas. They propose an agreement under which military expenditures should not be increased effective 1 January of the coming year, and propose that specific measures be subsequently undertaken to practically reduce these expenditures.

At the Moscow meeting the constant interest of the socialist countries was also reaffirmed to conclude the Madrid meeting as soon as possible with positive results that fulfill the expectations of the European peoples and ensure the convening of a conference on confidence- and security-building measures and disarmament in Europe.

These measures should also ensure the continuity of the multilateral process initiated 8 years ago in Helsinki. This request is all the more important since it was made at a time at which the Madrid meeting, through the obstructionist policy of the delegations of the United States and of some NATO states, had entered a critical state and had virtually arrived at the brink of collapse. But it was the firm and simultaneously flexible attitude of the socialist countries which finally made it possible to create the atmosphere in which the Spanish draft emerged. This draft made it possible to overcome the abyss of unacceptable "amendments" and "corrections" which were added to the original acceptable proposal of the nonaligned and neutral countries of 15 March and which would have implied an interference in the internal affairs of other countries.

Unusually important in Czechoslovak opinion is the convincing argument proffered by the participants in the Moscow meeting in the interest of safeguarding the Warsaw Pact states' own security, when they addressed the urgent appeal to the NATO countries to sobermindedly and objectively examine the dangerous trends of development in international relations and to draw reasonable conclusions that correspond to the interests of mankind. In doing so they made it quite clear that in no case would they permit a military superiority over them. Should such aspirations on the part of the West in the shape of the new U.S. missiles, whose flying time toward targets in the CSSR total only a few minutes, nay a few dozens of seconds, be implemented, pertinent counter-measures must be expected. In view of the dangers threatening as a result of this deployment, the Presidium of the CPCZ Central Committee and the CSSR Government -- as results from its position of 3 June -- "fully and entirely endorse the stance of the Soviet Union and its measures which are inevitable in order to ensure the security of the USSR and its allies."

We also see the great significance and effect of the Moscow statement in the fact that together with the resolute position on the military plans of the United States and NATO, it also expresses our political will to further pursue the principled course toward limiting and scaling down the arms race, averting the danger of war, and toward preserving and expanding the detente policy. This course also agrees with the yearnings of the Czechoslovak people and with the essential line of CSSR foreign policy.

Constructive Role in the United Nations

The activeness of CSSR foreign policy also becomes evident in our activity at the international organizations, above all, in the UN Organization, which we regard as a most important tool for implementing the principles of the peaceful coexistence of states with different social systems. Czechoslovakia does not only actively participate here in implementing the joint coordinated policy of the socialist community of states and of the important proposals of the Soviet Union and of other socialist states in the field of disarmament, it also contributes to this process with initiatives of its own.

Thus, taking into consideration that the importance of the declaration on international cooperation in the field of disarmament -- adopted on our initiative in the UN in 1979 -- has increased in the course of time, we have proposed a resolution on international cooperation for disarmament at the 36th UN General Assembly Session. It is requested in this resolution that the stipulations of the aforementioned declaration be implemented. Last year our delegation proposed at the 37th UN General Assembly Session an amended and complemented text of a resolution whose more resolute wording was directed against the military line of the imperialist states. It is our uncontested credit that despite the negative attitude of a great number of Western states, our resolution was readopted, and with an overwhelming majority of votes at that.

We are now preparing another, enlarged version in the shape of a draft resolution for the forthcoming 38th UN General Assembly, which will contain the central ideas of the Prague Declaration of the Political Consultative Committee of the Warsaw Pact member states.

As far as the Vienna negotiations on reducing the armed forces and arms in central Europe are concerned, where the CSSR is a direct participant, it must be noted that the negotiations have been going on for 10 years already. At the same time, "all the proper prerequisites exist," as it is said in the Prague Declaration, "for working out an agreement at the Vienna negotiations as soon as possible, in the course of 1 or 2 years." In order to extract the Vienna negotiations from the deadlock that has developed as a result of the destructive approach of the West, the Soviet Union, on behalf of the socialist countries -- the direct participants, the USSR, the GDR, the CSSR and the Polish People's Republic -- submitted a significant draft treaty on 17 January. On 23 June our delegation, also on behalf of the aforementioned socialist countries, submitted a comprehensive draft that somewhat accommodates the West. It remains a fact that the countries of the socialist community have made a maximum effort to overcome the deadlock at the negotiations, and they have launched another incentive to achieve a mutually acceptable agreement. It now is the West's turn.

There is no doubt that there is no other reasonable alternative in the present complicated international situation but what has been stipulated by the highest party-state leaders of the seven European socialist countries in the final documents at their meetings and sessions this year, and for the implementation of which they are tirelessly striving in practice.

The confrontation and its escalation into a nuclear war is not and cannot be an alternative. The future of Europe and thus of the entire world consists only in peaceful cooperation. It now depends on all the progressive and peace-loving forces and primarily on their unity to achieve the accomplishment of the main task of present times: averting the danger of a nuclear war.

ZERI I POPPULIT CONDEMNS SFRY ECONOMIC SYSTEM

AU050915 Tirana ATA in English 0730 GMT 5 Aug 83

["Bankruptcy of the Economic Capitalist Self-Administrative Yugoslav System" -- ATA headline]

[Text] Tirana August 5 (ATA) -- Under the above title, the newspaper "ZERI I POPULLIT" carries today an article which says:

It is over that period when they in Belgrade sang "praises" and trumpeted "the successes" of their capitalist system. Now this pomposity and magalomania are replaced by the alarming reports, failures, insecurity even panic.

Yugoslavia is undergoing the most difficult economic period since the time when the Titoites created their so-called self-administrative capitalist system. It is over that period when they in Belgrade sang "praises" and trumpeted the "successes" of their capitalist system, when they wanted to convince the others that the billions of credits and loans were prospering Titoite Yugoslavia. Now, this pomposity and megalomania are replaced by the alarming reports, failures, insecurity, even panic. The farce was turned into tragedy. The forecasts of our party that self-administration has no future, are being proved completely. All those things Comrade Enver Hoxha has written in his book "The Yugoslav Self-Administration -- Capitalist Theory and Practice" are being proved in practice.

Despite the measures adopted to cure the situation, this year, the Yugoslav economy was faced with bankruptcy. Industry, agriculture as well as the other branches of economy reduced the scale of productive capacity to critical limits. The volume of production considerably fell. They function today with only 16 per cent of their means of circulation. The general investments, especially those of the big projects, were reduced immediately. The constructions were suspended in over 3,000 projects. Unemployment swept over about 14 per cent of the able-bodied forces or nearly 1 million people, a figure among the highest in Europe, without calculating here over 600,000,000 others who sell their labour power in Western Europe. Inflation did not stop and the prices of consumer goods were 3-4 times higher than two years ago. "The most dangerous economic and political tendencies in the economic development in all the country, the newspaper 'BORBA' writes, are the decline of production in industry, the general increase of unemployment and inflation and consequently the permanent fall of the standard of living."

Above all, the debt to the tune of 20 billion dollars continued to hang over Yugoslavia's head like the sword of Damocles. The empty cases of the Yugoslav banks were not able to pay off the debt. The deficit in the balance of payments increased and the dinar as compared with dollar was devaluated almost twice. So, the Yugoslav economic capitalist system showed that it was going bankrupt, that it was faced with a complete paralysis.

The Titoites, firmly gripped by the grave crisis, which can no longer be hidden, were compelled to publicly admit that the contradictions in their economic and social order have reached such a scale of aggravation as the country is threatened to be put into auction.

In the face of such a situation, the Titoites, firmly gripped by the grave crisis, which can no longer be concealed with anything, were compelled to publicly admit that the contradictions in their economic and social order have reached such a scale of aggravation, as the country is threatened to be put into auction. In order to come out of this situation, so that the ramshackle edifice of self-administration saved destruction, they asked the working people to make severe, extreme sacrifices. The Belgrade [as received] undertook that step, which very few countries of the world have undertaken following the Second World War: Yugoslavia is ready to pay any price, to accept any kind of economic dependence required by international capital, suffice that it finance again the economy in order not to fail completely.

On July 3, 1983, the Council of the Assembly of the Republics and Regions of the FSR of Yugoslavia and the premier, Milka Planinc, reported that the international fund, the World Bank, a consortium of more than 600 trade banks and 15 Western governments, will grant to Yugoslavia a new loan worth 6 billion dollars, of which nearly 4 billion within this year. This was an oxygen-mask before asphyxia. "Our material state since the beginning of the year, Planinc said in a speech before the Council of Assembly, has been clear, in the meaning that we will not be able to pay the obligations we have to pay off in 1983 despite our greater efforts, and that before us, if we do not find any other opportunity, certainly lies the situation in which we must proclaim the moratorium and engage ourselves in the general re-programming of our obligations to the foreign countries. The countries of the West, Planinc stressed, their governments and the partners of Yugoslavia have taken interest to engage themselves, to help us to avoid the moratorium and the general reprogramming." "We should do our best, Franc Shetinc from Slovenia said on July 12, 1983, not to be faced with such a situation, which would compel us in a onesided way to proclaim the moratorium, that is to inform the world that we cannot pay off the debts and allow the foreigner grip us by the throat."

So Yugoslavia was on the verge of moratorium, that is the putting into auction of the national interests to the creditors. That was a logic and natural moment of the whole capital development of Titoite self-administrative Yugoslavia, of the bankruptcy a weak economic capital system.

Yugoslavia was plunged into the present day situation by the system of self-administration. This system brought about permanent confusion in economy, a weak and unequal development among the republics and regions, disproportions among the branches and within the branches of the economy, cracks in the cycle of production, it brought about a great social polarization.

But who led Yugoslavia to such a situation? What kind of ideology, political system, who were the leaders and with what aims they acted for several decades so that Yugoslavia reach such a critical point? The Titoite chieftains do not give a direct answer to this natural question put by every Yugoslav working people. Someone of them says that responsible of the situation are some mistakes made in the economic orientation, someone says that the world economic crisis had a negative influence in the Yugoslav economy, that the credits have been taken without a good criterion, that mistakes have been made in investments, etc. There are people who theorize that in the economic policy there have not been taken into consideration the interests of the federation, but those of separate republics, that the unique Yugoslav market, has not functioned, etc.

Some go so far as to say that there has not been applied in a creative way the essence of the self-administration as its architects Tito and Kardelj conceived it and that deviations have been allowed in practicing it.

Naturally the Yugoslav revisionists may find many a lot of such existent and not existent substantiations and may formulate them as they like. Demagogy has been and remains a preferred means of the bourgeoisie to deceive the masses.

But, the self-administrative capitalist system is worn out. The present evil of the "specific Yugoslav socialism" of this model of the most "authentic socialist" system, as the Titoites called it once, was not caused by the mistakes in the investments or in implementing the so-called grass root organization of united work, the non functioning of the unique Yugoslav trade. Yugoslavia was not plunged in such a situation because it was a socialist country, but it is going bankrupt because it is a capitalist state. The Yugoslav "self-administrative" system brought about permanent confusion in economy, weak and unequal development among the republics and regions, disproportions among the branches and within the branches of economy, cracks in the cycle of production, it brought about a great social polarization. "The millionaires, NIN magazine admits, are already an economic force in Yugoslavia. They possess about 5 billion dollars in the banks of the world." This system brought about an endless number of unsolved problems. Failures followed one another from one decade to the other. They sedimented from year to year to arrive at the present situation.

The Yugoslav economy in compliance with the open door policy closely linked with the capitalist economy of the West. Its main sectors developed according to the neo-colonialist strategy of the big international capital not only for the credits, technologies and the raw materials, but for the markets too. Now when crisis has gripped the major capitalist countries, the Yugoslav goods destined for their markets are not sold. But the factories have no work and the workers stay at home. Yugoslavia was not satisfied with the slavery by the West, but put on her neck the noose of the Soviets and the capital of COMECON. Now self-administrative Yugoslavia pays the high price of the open door policy. Its capitalist economy depends on the West and East, which together pull the noose whenever they want.

Now they in Belgrade complain of the catastrophic situation of the economy. But who is to blame? Why did they borrow so many debts? They were borrowed to maintain on foot the rotten self-administrative system, to satisfy the ambitions of Titoite bourgeoisie, to deceive the masses with the illusion of the "flourishing" created with the money of others.

But Yugoslavia is forced to follow even in the future too the road of the debts. It will continue to be even more dependent on Western capital and on the Soviet market and oil. It is plunged in an impasse and cannot come out of it. The Yugoslavs accepted the new debt on hard and humblest conditions for a country, which considers itself as Mecca of the nonaligned countries. The magnates of the international fund, the World Bank, and the Western banks and consortiums dictated the conditions that if the Yugoslav bank and government will not pay off the debts 15 days after its expiry date, then the laws of the capitalist jungle will be applied. The property of the Yugoslav state abroad will be confiscated. The newspaper POLITIKA of Belgrade of July 4, 1983 admits that this confiscation may include the assets of the embassies, the Yugoslav military orders or the merchant ships. These confiscations will be made under the juridical act of the New York and London court, a court which will function even in Belgrade. There is no need for comment: but what is accepted even by the Yugoslav leaders is that the conditions which will be dictated in the future by the Western banks may be even harder. The Yugoslav Finance Secretary Jozef Florjancic admits: "These conditions are indeed hard."

It is not at all surprising that on the road of the debts the Yugoslav self-administration is marching and relying, these conditions will become tomorrow completely enslaving. Planinc herself admits: "I can say that these agreements and credits have no guarantee in themselves, I repeat no guarantee".

The essence of the measures which are envisaged in the "Long Term Program of the Economic Stability" worked out by the so-called "Kraigher Commission" which is presented as the magic formula that will save Yugoslavia from the shaking crisis has in its roots the conditions set by the Western banks.

The essence of the measures which are envisaged in the "Long Term Program of the Economic Stability" worked out by the so-called "Kraigher Commission" which is presented as the magic formula that will save Yugoslavia from the shaking crisis, has in its roots the conditions set by the Western banks. The first condition set by these banks affects directly the decentralizing principles of self-administration. In order to amass the debts they imposed as their sole partner the Yugoslav central bank and not the banks of the republics and the regions as it was acted before. On the other hand, they demanded the establishment of a whole system of economic and financial control over the enterprises, a number of taxes, mainly on the working people, and up to changes in the political system of representation.

Aleksandar Grlickov himself admits in an interview granted to the newspaper POLITIKA that all the notions and economic categories of capital, of the production of goods up to the mechanism of the distribution of the income are formulated on the basis of the program. These categories of the capitalist economy have also operated up to now but he implies that from now on they will assume priority and will act more forcefully within the Yugoslav economy and in the relations with abroad as well. As long as the capitalist production of goods will be promoter of the Yugoslav economy this means that we have to do with a typical capitalist economy. In order to disguise these open capitalist measures, Grlickov employs as an argument the thesis that the goods production is an historical category. This is true. But the Marxist study of the history of the production of the goods and the other economic categories linked with it clearly reveals that there is no reason that every production of commodity should be proclaimed identical with the capitalist production of the commodity. In socialism it takes place within limits rigorously limited and controlled and it has not the same class nature and features as in capitalism. It does not serve the capitalist profit but the fulfillment of the needs of all the society. That is why socialism is built, to change the capitalist mode of the goods production.

The present day situation in Yugoslavia can be cured by no blood transfusion either from Washington, Moscow or whatever international bank or fund. This is the logic end of every revisionist theory and practice.

The bankruptcy of the economic system of the Yugoslav self-administration was not something that was not expected. In a number of his works and articles Comrade Enver Hoxha has underlined that the self-administration is a capitalist system unable to stand on foot without the clutches of the international capital, that it is doomed to failure. The architects of this system, Tito, Kardelj, Bakaric and others have tried a lot to "correct and perfect it". But nothing bore and could not bear results as long as the economic laws of capitalism would have their effect and would lead the Yugoslav economy towards spontaneity, competition, unemployment, dependence on foreign capital, towards bankruptcy.

Likewise, they in Belgrade have no reason to be happy about the new credits. They prolong a bit the life but they cannot cure the disease. The processes of the crisis which continue to ferment in the Yugoslav capitalist society can be stopped neither through debts nor through demagogy. They are offspring of the capitalist order itself which is full of incurable wounds.

"Just as they did with Tito in his last breath", Comrade Enver Hoxha writes in his major work "The Titoites", "the imperialists and social imperialists are doing their utmost to give the Yugoslav system a new lease of life, to keep it alive, although this system is wholly gangrened. No blood transfusion either from Washington, Moscow or whatever international bank or fund, can save it. This is the logic end of all the revisionist theory and practice. The imperialist and social imperialist credits take their money from their safes, not because they ache to help the peoples of Yugoslavia, out of their misery, but because they want to protect their political and economic interests in Yugoslavia, to expand or consolidate the domains Tito has long sold them in return for the credits he has received from them. But if for a period of time it seemed as if Yugoslavia was to gain in this dangerous game, now the time has come for Yugoslavia to put itself up for auction to the imperialists and social-imperialists. A first class borrower, shaken to its very foundations in all respects, with no clear perspective, without the necessary means and forces to find the road of salvation -- such is the present-day Titoite self-administrative Yugoslavia".

Yugoslavia came to the present-day situation as a result of anti-Marxist and pro-imperialist road it has traversed. But everything bad that springs from this anti-peoples system over decades falls onto the shoulders of the working class and the Yugoslav working masses. They are the ones who pay the high price of this policy, the savage and double exploitation of native and international capital. "The big bellied" as the member of the Assembly of Vojvodina, Boro Staikov publicly characterized the Titoite bourgeoisie, will not be affected at all by the sacrifices of stability; the poor, the workers, and peasants, in a word the broad working masses, who have to feed now the local and foreign capitalists, will tighten the belt.

This allround economic bankruptcy of Yugoslavia speaks of the political and ideological failure of all the state Titoite self-administrative system, which has been presented to the small and big countries as the "best example of the political and social order". It is exactly this that greatly worries the present heads of the Yugoslav state and their patrons outside Yugoslavia. At the same time, the effort to delay the unavoidable catastrophe, receiving new credits and debts, fully denounces also the claim that Yugoslavia is a "nonaligned" country. The world imperialism, the banks and the monopolies of the international bourgeoisie have not granted and do not grant Yugoslavia debts and credits without profits and without economic and political concessions. This makes Yugoslavia dependent upon them not only economically but also politically. In these conditions "the Yugoslav nonalignment" remains a mask. The praises for "non alignment" are nothing but a demagogical bluff.

TRANSPORTATION SECTOR ACHIEVEMENTS REPORTED

AU091929 Tirana Domestic Service in Albanian 1800 GMT 9 Aug 83

[Summary] Over the last 3 or 4 years there have been considerable changes in transportation. "Railroad transportation of goods in 1983 as against 1980 will increase 39.6 percent in tons and 39.9 percent in tons per kilometer."

"Compared to the same period last year these indexes have increased 10.7 percent and 8.3 percent respectively. Railroad transportation now constitutes 46.5 percent of our over-all transportation." Sea transportation has also increased over the years. Road transportation has been extended to the remotest regions. The general volume of internal transportation in tons per kilometer was 45 times greater in 1980 than in 1960. "The transportation collectives fulfilled the volume of work in tons and in tons per kilometer 104 percent and 100 percent respectively for the 7-month period."

IRANIAN FOREIGN MINISTRY DELEGATION IN ALBANIA

Meets Foreign Minister

AU052020 Tirana Domestic Service in Albanian 2000 GMT 5 Aug 83

[Text] Reiz Malile, minister of foreign affairs of the People's Socialist Republic of Albania, received today the delegation of the Ministry of Foreign Affairs of the Islamic Republic of Iran led by its political director, Muhammad Sadr. The leader of the Iranian delegation handed over to Comrade Reiz Malile a friendly message from Ali Akbar Velayati, minister of foreign affairs of Iran, in connection with the further development of relations between the two countries.

A discussion which took place on this occasion passed in a warm and friendly atmosphere.

Received by Deputy Minister

AU090757 Tirana Domestic Service in Albanian 1800 GMT 8 Aug 83

[Text] Manush Myftiu, deputy chairman of the Council of Ministers of the People's Socialist Republic of Albania, today received the delegation of the Ministry of Foreign Affairs of the Islamic Republic of Iran, headed by its political director Mohammad Sadr, and held a friendly talk with them. Present at the reception was Deputy Minister of Foreign Affairs Sokrat Plaka.

Departs 9 Aug

AU091904 Tirana Domestic Service in Albanian 1800 GMT 9 Aug 83

[Text] The delegation of the Ministry of Foreign Affairs of the Islamic Republic of Iran, headed by its political director, Mohammad Sadr, left our country today.

ALBANIA, BARBADOS ESTABLISH DIPLOMATIC RELATIONS

AU090800 Tirana Domestic Service in Albanian 1800 GMT 8 Aug 83

[Text] Proceeding from the desire to develop friendly ties between Albania and Barbados, the Government of the People's Socialist Republic of Albania and the Government of Barbados have agreed to establish diplomatic relations at the ambassadorial level.

CPCZ DAILY NOTES BREAD ECONOMY MEASURE

AU091125 Prague RUDE PRAVO in Czech 8 Aug 83 p 6

["OZ"-signed Sofia dispatch: "Bulgaria: Drought Has Reduced the Harvest"]

[Text] Sofia -- After last year's record harvest, when grain production, including corn, exceeded 10 million metric tons for the first time in history, the results of this year's harvest in Bulgaria are not overly favorable.

The dry weather at the beginning of summer accelerated the ripening of grain, which threatened to dry up. Therefore, irrigation had to be applied on a much broader scale than in the years before, which meant higher grain production costs. Besides, the harvest began in the first days of June, much earlier than in the past, and lasted all of 2 months, three times longer than usual. This was due to torrential rainfalls that made it impossible to reap.

The result of this year's harvest will make it necessary to handle fodder and bread grain, as well as bread itself, with much greater economy. The weight of all basic types of bread has been reduced by roughly one-fifth to make people buy it more often and thus to prevent leftover bread from being fed to animals or, even worse, from winding up in the garbage cans. All sectors of the economy are helping to alleviate the adverse impact of this year's harvest on the economy with the proceeds of special shifts.

INSTALLATION OF NEW TELEVISION, TELEPHONE NET

AU091549 Sofia BTA in English 1450 GMT 9 Aug 83

[Text] Belgrade, August 9 (BTA corr) -- The construction of a new telephone cable connection between Nis and Sofia is being under preparation. The cable has 3600 channels on the territory of Yugoslavia and 2700 on the territory of Bulgaria. The new coaxial cable system installed underground will make it possible for the carrying on of conversations between Europe and the Near and the Middle East (Turkey, Syria, Iran and Kuwait). The system will be used for terminal news exchange between different telephone exchanges via Belgrade and Sofia. It will facilitate the telephone exchanges with a number of populated places in this region of Yugoslavia: Bela, Palanka, Pirot, Dimitrovgrad, etc.

According to the agreements reached between the two countries, the construction of the new communication system should be completed by 1985. After that, as VECERNI NOVOSTI maintains, a new wide belt radio relay line with a capacity of one TV and 1300 telephone channels is said to be constructed. This is said to make the direct telephone connections between Kuwait and the Eurovision and Intervision possible -- a fact this country is interested in.

LEADERS CONGRATULATE NEW ITALIAN OFFICIALS

LD082107 Prague Domestic Service in Czech 1630 GMT 8 Aug 83

[Text] Lubomir Strougal, federal premier, has sent a telegram of congratulations to Bettino Craxi on his appointment to the office of Italian prime minister. Bohuslav Chnoupek, minister of foreign affairs, has sent a telegram of congratulations to the newly appointed Italian minister of foreign affairs, Giulio Andreotti.

FOJTIK WELCOMES DPRK DELEGATION TO PRAGUE

Arrival 8 Aug

LD082031 Prague Domestic Service in Czech 1630 GMT 8 Aug 83

[Text] A party and government delegation from the Democratic People's Republic of Korea, led by Kim Yong-nam, member of the Political Bureau and secretary of the Korean Workers Party Central Committee, arrived in Prague by air today. At Ruzyně Airport, the delegation was welcomed by Jan Fojtik, candidate member of the Presidium and secretary of the CPCZ Central Committee, and other representatives.

Talks With Kim Yong-nam

LD091504 Prague Domestic Service in Czech 1330 GMT 9 Aug 83

[Text] Jan Fojtik, candidate member of the Presidium and secretary of the CPCZ Central Committee, held talks in Prague today with Kim Yong-nam, member of the Politburo and secretary of the Korean Workers Party [KWP] Central Committee, who is heading the DPRK party and government delegation currently paying a friendly visit to Czechoslovakia.

The two representatives briefed each other on the implementation of the conclusions of the 16th CPCZ Congress and the 6th KWP Congress. They discussed questions of mutual cooperation between the two parties and assessed possibilities for further broadening it. They also exchanged views on some topical issues of the current international situation. Kim Yong-nam then gave detailed information on the situation in the Korean Peninsula. He stressed that the presence of U.S. troops, including the deployment of nuclear weapons on the territory of South Korea, constitutes a serious threat to peace and an obstacle to the unification of Korea. Jan Fojtik expressed full solidarity with and support for the DPRK's effort to unify its homeland peacefully.

HUSAK, CHNOUPEK CABLE ECUADOREAN COUNTERPARTS

LD091632 Prague Domestic Service in Czech and Slovak 1500 GMT 9 Aug 83

[Text] Gustav Husak, president of the republic, has sent a congratulatory telegram to Oswaldo Hurtado Larrea, president of the Republic of Ecuador, on his country's national day.

Bohuslav Chnoupek, minister of foreign affairs, has congratulated Luis Valencia Rodriguez, Ecuador's minister of foreign relations.

FRG SENTENCE FOR GUARD KILLER CONDEMNED

AJO91621 East Berlin NEUES DEUTSCHLAND in German 5 Aug 83 p 2

[ADN report: "Scandalous Sentence for GDR Border Soldier's Killer"]

[Text] Berlin (ADN) -- On Wednesday the second great criminal bench of the Goettingen Regional Court sentenced killer Roland Hoehne to 1 year of imprisonment, then put him on probation, and fined him DM 1,000. On 1 August 1980 Hoehne had insidiously murdered Klaus-Peter Braun, warrant officer of the GDR Border Troops. On 23 June 1982 the Leipzig Higher Military Court sentenced the fugitive Hoehne in absentia to life imprisonment. During this trial it was unambiguously proved through criminological findings on the scene of the crime, the results of the autopsy, leads and evidence, through several criminological and forensic examinations, as well as through the depositions of witnesses that Hoehne had deliberately killed his victim with three single shots. The scandalous sentence of the FRG Goettingen Regional Court was meted out even though the GDR prosecutor general had repeatedly requested that the killer be extradited.

HENG SAMRIN SENDS MESSAGE OF THANKS

BK020837 Phnom Penh Domestic Service in Cambodian 1300 GMT 1 Aug 83

[Text] Comrade Heng Samrin, general secretary of the PRK party Central Committee and chairman of the Council of State, recently sent a message of thanks to the Central Committee of the Socialist Unity Party of Germany. The message said, among other things: On behalf of the KPRP Central Committee, the entire Kampuchean people, and in my own name, we would like to express profound gratitude to the Central Committee of the Socialist Unity Party of Germany and the German people for the warm wishes on the occasion of the KPRP's 32d anniversary. They represent a source of great encouragement in advancing the struggle for the reconstruction and defense of our glorious Angkor fatherland. May the relations of fraternal friendship, close militant solidarity, and all-sided cooperation between the two parties and peoples be further developed and strengthened for the growing benefit of socialism and peace.

FOREIGN TRADE UNIONISTS ATTEND YOUTH CAMP

LD081743 East Berlin ADN International Service in German 1536 GMT 8 Aug 83

[Text] Potsdam, 8 Aug (ADN) -- Four hundred young trade unionists were cordially welcomed on Monday at the international youth camp of the FDGB in the Pierre Semard holiday center in Ferch near Potsdam. The guests come from Denmark, the GDR, Finland, France, Greece, Great Britain, Kuwait, and Cyprus.

The FDGB attaches great importance to this traditional meeting at Lake Schwielow for the securing of proletarian internationalism, Frank Bochow, member of the Presidium, and Secretary of the FDGB National Executive, said. The visit to the GDR will contribute to an exchange of experiences on how all peace-loving forces can wage the struggle against the stationing of new American nuclear missiles in West Europe. The foreign trade unionists will discuss their work with the hosts from the GDR. Visits to Berlin and to enterprises are planned. Further, the young people will meet antifascist resistance fighters and will go to the Sachsenhausen National Memorial.

FALUVEGI EXPRESSES VIEWS ON FUTURE OF ECONOMY

AU091412 Budapest MAGYAR HIRLAP in Hungarian 6 Aug 83 pp 5, 6

[Andras Tabori interview with Lajos Faluvegi, chairman of the National Planning Office, entitled "A Plan Until the Turn of the Millenium Is Being Worked Out; What Will the Future Bring?; Discussion With Deputy Premier Lajos Faluvegi" -- in Budapest, date not given]

[Excerpt] The Course of Growth

[Question] When all is said and done, the planner is -- do not take offense if I characterize him thus -- a professional, but realistic dreamer. And, if that is true, let us try to outline this realistic dream: What does the future presage? How and in what way will we be able to overcome our present depressing problems?

[Answer] First of all, when we speak of future development, we must clarify one thing immediately. Even today, when we hear of the path of development, we still associate it most frequently with a concept of the rate and quantitative extent of growth, although the domestic and international experiences of the past 30-odd years prove that a rapid rate of development alone is hardly sufficient from the viewpoint of the contentedness and welfare of society if it is not coupled with a suitable commodity supply and assortment, if people cannot spend their earnings as they would like to, if this growth is accompanied by a deterioration of working conditions and the human environment, and if growth occurs along with disproportionate expenditures and a wastage of materials, capital, and manpower, so that the attained result is not commensurate with the excessive input.

Therefore, even if the rate of growth is important, indeed very important, in our work of planning, it is by no means the sole objective that determines everything. We develop it in conformity with the rest of the criteria of social welfare.

As for the course of growth in a narrower sense and its future development, we must qualify our present problems and the changed conditions for our development to be able to provide the answer to this question. With regard to their nature and time requirement, the duration of time for overcoming them, they are of two kinds.

First: We are most pressed by the problem of equilibrium in a narrower sense -- that is, of the foreign economic and payments equilibrium. In order to fulfill our international payments obligations, we had to cut back imports and domestic utilization in the past years. Parallel with all this, the economic recession and the stagnation in export growth have led to the fact that economic and industrial development has decreased. However, even if it is true that maintaining the foreign economic equilibrium and solvency continues to require great efforts from us, we can say in all certainty, nevertheless, that in a foreseeable time -- approximately in the second half of the eighties -- restraining imports and domestic utilization -- therefore, indirectly, production -- to such an extent as is presently necessary will then no longer be necessary. Thus, we can realistically expect the present tensions to disperse somewhat in the long run.

Second: It can be regarded as an epochal, lasting, and objective change that it is no longer possible to increase extensively certain further resources. The manpower supply has not increased since 1975. The portion of the national income intended for investment has greatly decreased in the past years and, even if it can be increased somewhat in the future, it can hardly match the high indexes and relative portions of the seventies by the turn of the millenium.

Our agriculturally exploited areas have rapidly diminished. And, most importantly, we can hardly expect the quantity of imported raw materials and energy media to attain the previous level. All this objectively slows down economic growth. To a smaller or greater extent, we can offset this by intensifying efficiency and productivity more vigorously than heretofore and we must, indeed, offset it in its entirety; however, this cannot lay the foundations for a greater rate, one that characterized the previous phase.

[Question] What follows from this with regard to a course of economic growth?

[Answer] Because of the aforementioned objective circumstances, our economic development will, in all probability, not match the average dynamics of the 30-year period from 1950 to 1980, for, at that time, the national income increased 5.1 percent on an annual average. Of course, other circumstances -- such as the restoration following the war, the then low standard of development of the economy, the mobilization of vast manpower reserves, and the ability constantly to increase the amount of imported raw materials and energy media -- contributed to this. These conditions will no longer be at our disposal in the coming two decades!

The Outlines of the Day After Tomorrow

Even if the growth rate will be more moderate than in the past 30 years, we can count, nonetheless, on being able to go beyond the involuntary "depressed state" of the past 5 years. In the past 5 years, we have experienced the problems of scarce resources coupled with problems of the foreign economic equilibrium and economic recession, and there has been neither the time nor the means for making the structure of exports and imports more effective. The economy has responded to all this, evidenced by the fact that the growth rate has greatly slowed down. On the average, the national income increased by approximately 1.5 percent in 1978-83.

Today, we think that the national income signifying our future development will range between these extreme values of the remote past and the recent past, somewhere in the middle, around 3 percent. Still, I must stress that the framework of possibilities is still very broad today and whether we deviate upward or downward from the above value depends greatly on the degree to which we can improve efficiency and succeed in transforming the structure of the economy.

Thus, the most important long-term task is transforming the economic structure and attuning it to the requirements of intensive development. This is pivotal in long-term planning activity. The present structure of our production and exports is in many respects inconsistent with changing world market demand, new directions of demand. Groups of products and products for which demand does not increase in the world market constitute a considerable segment of our production and, because competition is keen, they can only be sold at unfavorable prices. On the other hand, products embodying modern trends are not as yet of a suitable consequence in our exports. If we do not change this, then not even an enlivening boom can ensure an upturn of our economy. Indeed, the newly industrializing developing countries can oust us from our previous markets. In a like manner, if we cannot make our machine industry products more attractive and valuable for our partners within CEMA, then it will not be possible to dynamically activate our exports and imports with respect to them and, consequently, do so with our production either. Therefore, in the final analysis -- even if they do temporarily ease the situation -- we are not helped by an alleviation of tension in the commodity and credit markets alone without a structural transformation. It follows from this that the rate of our long-term economic development depends primarily on a structural transformation, that is, instead of a forcible growth, a deliberate and continuous structural alteration is needed.

Thank you for the discussion.

'EFFECTS' OF ECONOMIC SANCTIONS DISCUSSED

AU091400 Warsaw RZECZPOSPOLITA in Polish 4 Aug 83 p 3

[Tomasz Bartoszewicz article: "Measurable Losses"]

[Excerpts] The various sanctions adopted on 13 December, 1981 will probably soon become part of history. Most Western observers today agree that the sanctions did not achieve the intended results. On the contrary, in some cases they brought results that were unforeseen by their perpetrators, for example a tightening of economic cooperation between Poland and the countries of the socialist community.

This does not mean, however, that the sanctions have not been and are not being felt by our economy. One can of course argue about the extent of the measurable losses caused, for in many cases we have suffered lost advantages. However, as far as the so-called long-term effects are concerned, one can honestly say that the national economy -- and therefore every one of us citizens of the PPR -- is going to feel the effects of the undeclared war initiated by President Reagan's administration for a long time yet.

There is no doubt that the decisions behind the sanctions were political in nature. The decisions were made unilaterally and without any legal basis, and no attempt was made to hide the fact that their aim is to discriminate against the economy, and in consequence thereof, against the Polish Government and our socioeconomic system. They were designed above all to aggravate our economic difficulties, continue anarchy, and prolong tension. The sanctions were a springboard from which to implement political intentions hostile to the basic interests of the nation.

The most tangible effects were caused by the use of the "credits weapon," the withdrawal of promised and negotiated credits and the suspension of negotiations concerning the rescheduling of repayments to Western countries scheduled for 1982 and 1983. Instead of the \$3 billion we expected to receive in 1982, we received credits to pay for imports to the value of \$1,475,000. This made it necessary to pay for purchases in cash which had been allocated for the payment of interest on the credits. As a result, our debts rose to \$1,685,000 on interest alone. The situation this year looks even worse. The Central Annual Plan foresees credits to the value of almost \$800 million, but in fact it looks as if we will only manage to receive \$400 million.

We have felt the credit restrictions the most keenly as far as the food economy is concerned. Supplies of protein feed for agriculture fell from 7,173,000 metric tons during the 1980-81 season to 3,332,000 metric tons in 1982-83. This caused a 74 percent drop in the production of poultry, a 31 percent drop in the production of eggs, and a 17 percent drop in the production of hogs. In the agricultural and food industry, the value of produce sold fell as a result of the unavailability of various components which had previously been imported from the West on credit. Over 295 billion worth of such components had been imported in 1982.

The effects can be felt by the whole of society. For there is no way of effectively increasing one's own feed resources from one year to the next, to say nothing of the fact that the large-scale growing of maize and soya beans is unimaginable in our climate. It has therefore been necessary to reduce the already meager ration quotas of meat, and yet President Reagan publicly guaranteed that the sanctions are not aimed against Polish society, but only against the government....

A further deterioration in the balance sheet for protein occurred as a result of the ban on the Polish fishing fleet fishing in U.S. waters. It is enough to say that in 1981, our trawlermen caught 180,000 metric tons of fish in these waters.

This means that President Reagan has quite simply deprived every Pole of over 5 kg of fish per year, to say nothing of the financial losses for our fleet.

"LOT" Polish Airlines suffered severe losses when it was suddenly deprived of flying rights on the Warsaw-New York route. This is costing Zl.5 billion and 1,300,000 dollars per year, to say nothing of the loss of 25,000 passengers with valid tickets who either had to pay a lot extra in order to fly by another route, or extend their stay abroad.

A lot has been written on the losses Polish foreign trade had suffered as a result of the withdrawal by the United States of the most-favored nation clause in respect of Polish goods, in breach of the obligations resulting from Poland's and the United States' role in GATT. An additional burden for exports to the American market was the boycott on Polish goods announced by the Dockers' Union, which made it necessary to send those goods for an extended period via Canadian ports, and of course at a higher price.

Today we keenly feel the trouble with the supply of household equipment, including washing machines, freezers, and refrigerators. This trouble is to a certain extent the result of the sanctions. For in the seventies, we geared ourselves to long-term co-production with Western firms, maybe too hastily. And now there is no money with which to import production components from these countries because credits have been frozen, and some firms, under pressure from their governments, have refused to continue the cooperation despite earlier commitments. The situation is the same in the chemical and light industries.

And one more typical example (from among many). On the basis of trade and cooperation agreements, we used to produce lathes destined for the British and American markets. They were adapted for use according to the Anglo-Saxon system of measurements (inches). Since the break in the agreements, we have practically lost all the markets for our lathes because they had been adapted to a system of measurements which is not used outside Great Britain and the United States.

During his Sejm speech on 21 July, Gen Wojciech Jaruzelski said among other things: "We are noting the losses we have incurred as a result of the restrictions. We can document these losses."

The conviction is prevalent in the West today that the majority of the sanctions will soon be lifted. Franz Josef Strauss has recently spoken about the uselessness of these sanctions, and yet he is a person whom no one can suspect of having excessive sympathy for the socioeconomic system in our country and the political line represented by the PPR Government. If the sanctions are indeed lifted, the losses we have all incurred will remain -- both the measurable losses, which can be calculated relatively easily today, and the immeasurable ones, which will only be felt in the future. Let us have no illusions about this -- we are all paying for these sanctions with worse market supplies and an incomplete use of the country's potential. Our awareness of this is another feature of the sanctions policy which Reagan's advisers probably did not foresee.

GOVERNMENT OFFICIAL ON NATURE OF ECONOMIC REFORM

AU091235 Warsaw RZECZPOSPOLITA in Polish 4 Aug 83 pp 1,2

[Malgorzata Strubinska interview with Wladyslaw Baka, government plenipotentiary for economic reform affairs: "Before A New Stage" -- date and place not given]

[Excerpts] [Malgorzata Strubinska] The Sejm has assessed the implementation of the reform and a resolution was adopted in this matter.

After this great social Sejm debate, how does the person feel who is made responsible by the government for introducing the reform? Does he feel confident or exposed?

[Wladyslaw Baka] I can say that I feel confident. But I am also convinced that the reform must be even more strictly adhered to. The government's conclusions are geared to this aim. Such are also the Sejm's decisions contained in the resolution.

[Strubinska] What does that mean?

[Baka] It means that we must not let ourselves be forced off the road of reform, whatever the obstacles and difficulties. It means in particular that still more effort is necessary in order to increase the effectiveness of the reform on efficient activity by enterprises so that self-management by the work forces may develop and strengthen, and that some representatives of the administration may finally understand that renewal and normalization do not mean a return to old methods, but represent the need to work out new methods whereby various state agencies can effectively influence enterprises in accordance with the reform. Only then can the economic and social goals presented by the reform be reached. This is the government's view. It has met with the Sejm's full support.

[Strubinska] What are the main changes involved?

[Baka] There are four basic goals. First, better use of production potential must be encouraged and the structure of production must be guaranteed to match the needs of society. Second, the reform must apply strong pressure in order to improve all-round efficiency; in other words, the use of personnel and materials in production must be improved, as well as the quality of products. Third, economic mechanisms must encourage scientific and technical progress and a greater participation by our country in the international division of labor. And finally, economic equilibrium must be restored, especially concerning the market and foreign trade. Positive trends have already appeared in all of these spheres. We are not starting from scratch. We have said from the very beginning that reform is a process and that it is going to be a difficult one. We have also said that it will demand the fulfillment of additional conditions so that work may be better organized, and that the work of the people may bear richer fruit and that their needs are satisfied better.

[Strubinska] The basic problem to which the deputies taking part in Sejm committee discussions on economic reform paid attention was the question whether or not an incentive mechanism for efficient management had been created. Enterprises have often achieved profits by manipulating prices, and not by lowering their own costs.

[Baka] Every generalization is bad. One can indeed provide examples of enterprises who have acted in this way, but one can also point out those that have acted according to the reform and adapted themselves to current conditions in the correct way. One can of course also come across cases where no increase in productivity occurred and even where a deterioration occurred. I find it no surprise that in 1982 the mechanisms of reform were not effective enough. That year was a year when the reform was just being established, and many of the features constituting what we today call hard finance were not yet functioning. If prices are being restructured, if producer prices are rising, if we introduce completely new ways of fixing these prices, and if we have nothing on which to base comparisons because everything is changing, then it is difficult to determine which financial figures are easy to achieve and which are not. One ought to recall that in 1981, production enterprises achieved a deficit of about Z170 billion. And in 1982, they achieved a profit of about Z1,400 billion. In the meantime, production has dropped. What is the cause? Price changes of course.

Some people condemn these price changes outright, not understanding that these changes were a great action designed to set the economy in order.

Those features of the reform designed to stimulate productivity have been strengthening as of this year. From 1984, the reform will exert sufficient pressure to improve efficiency. For an entire complex of elements will be set in motion then, ranging from prices, credits, limited subsidies, to an entire financial system -- all aimed at providing an economic stimulus toward better management. We must expect alarmed protests that the mechanisms of reform are ruining the enterprises. For meeting the basic needs of workplaces implies that workplaces have to make a much greater effort, make organizational and structural changes, and so on.

[Strubinska] Many accusations have been made in recent months that wage rises in many cases have had nothing to do with increased productivity.

[Baka] That is true. One can add that this symptom has existed for a very long time. As far as incentive systems are concerned, 1982 was a very interesting year. It turned out that people are very attached to old wages systems and do not relinquish them easily, not even when logic tells one to do otherwise. This happens especially because people see any improvement as a threat to their own interests. In addition, society did not display readiness to adopt new solutions, which was clearly evidenced in the discussions on the pamphlet entitled "To Whom? How Much? What For?"

However, an exceptionally favorable phenomenon was the shaping of experimental wages systems in many enterprises. In these systems, wages are very closely related to work results, so much so that in some plants a worker may control his wages by means of his own production activity. This is a very favorable phenomenon. We would like to use these experiences during the work on the draft law on wages, which would generally solve the systemic problems concerning wages. In this we are directed by the general guideline that concrete results may only be achieved inside the enterprises. We must not return to the old way of thinking whereby detailed scales of charges are fixed at central level and then imposed on the enterprises in the name of some falsely-conceived equality and social justice.

[Strubinska] Fiscal policy still seems to be dominated by the principle of taking the greatest amount of money away from those enterprises that produce the most. That was justified in 1982, when unintended rises in profits occurred on the basis of the prices system. Conditions are changing now. Therefore would it not be correct to adopt such a fiscal policy where well-functioning plants receive better conditions for progress and innovation and where more money is not taken away from them just because they have more of it?

[Baka] This view forms the basis of the proposals we are making as far as changes in income tax are concerned -- in other words the elimination of tax progression and the establishment of a fixed tax rate. No one should be punished for being more efficient and achieving better economic results. And it is becoming possible to adopt a new tax formula because different components of the fiscal system; in other words, prices depreciation cost, are becoming stable and are making it possible for real work results to be expressed in financial figures.

PLANNING COMMISSION EXAMINES FROZEN INVESTMENTS

LD092213 Warsaw PAP in English 2054 GMT 9 Aug 83

[Text] Warsaw 9 Aug -- Poland's Government Planning Commission today examined the work of the interministerial team called up to review and verify frozen investment projects. Ministers and heads of central offices took part in the debates which were presided over by Deputy Prime Minister and Planning Commission head Janusz Obodowski.

About 1,600 investment projects in the socialized sector of economy whose cost amounted to some 1,500 million zlotys at the 1982 prices have been frozen because the investment front was developed too wide in the past decade while the national income was falling and the need emerged to protect consumption levels.

The average advancement level of the investments reached some 27 percent and about 1,100 million zlotys would be necessary to complete the projects.

Outlays used for the continuation of investments in the socialized sector amounted to some 3,000 million zlotys at the end of 1982, and the cost of work to protect the investments sites reached about 16 billion zlotys last year.

The interministerial team examined nearly 1,000 investment projects whose completion would require about 1 billion zlotys in outlays.

It decided that more than 430 projects would qualify for continuation as the financial and economic conditions emerged, and calculated that more than 140 billion zlotys would be needed to complete them. But nearly 500 investments which cost almost 94 billion zlotys so far would be axed.

It was stressed during today's debate that the proposed solutions are a compromise between the need to ensure development of key sections of the socio-economic life and the real economic possibilities as well as priorities spelled out in the socioeconomic plan.

The meeting approved a draft decree for the council of ministers, envisaging the investments qualified for abandonment should not be continued in the future and all debts involved are to be cancelled. Investors should use the existing fixed assets either in their enterprises or by selling them out or handing over to other users.

Opinions and drafts of documents approved at the meeting would be presented to the Council of Ministers.

URBAN HIGHLIGHTS ASPECTS OF NEW PRESS LAW

AU091245 Warsaw ZYCIE WARSZAWY in Polish 6-7 Aug 83 p 3

[Barbara Drozd interview with Jerzy Urban, government press spokesman: "Jerzy Urban on the Press Law" -- date and place not given]

[Excerpts] [Drozd] The need to devise a press law was discussed for many years but to no avail. However, in July 1981, the impasse was overcome when the Sejm adopted a resolution which bound the government to prepare a regulation on this subject. The government entrusted the Ministry of Justice and yourself, as the government's press spokesman, with this task. A special legislative commission was established for this purpose under the Ministry of Justice, and the draft which is prepared was submitted to the Sejm. How did the work of this commission go -- a commission which was appointed and began its activities under conditions completely different from the ones under which it continued its work during martial law and from the ones it under which it will finish its work under during the suspension of martial law.

[Urban] This work was very difficult, and the task was not based on updating existing, outmoded, and very dispersed regulations, but on drawing up a completely new press law. More than half the commission was comprised of journalists, and the same representatives always appeared on behalf of the journalists' organization, which was at first the Association of Polish Journalists and then the Association of Journalists of the Polish People's Republic. They were Jozef Barecki, Bogdan Michalski, and Jan Brodzki.

Other members of the commission were also professional journalists representing other institutions such as, for instance, Jan Pakula, Krzysztof Teodor Toeplitz, and myself. Irrespective of the legislative commission personnel, the Association of Journalists of the Polish People's Republic submitted the draft law for consultation during the various stages it went through, a draft which proposed amendments, and worked out definite positions on various matters. It also organized community discussions on this topic, and the preliminary draft was published in PRASA POLSKA.

Many remarks and proposals came in from state institutions, voivodas, and nonstate organizations which have their own press publications and are therefore interested in this matter. Detailed remarks were sent in from, among others, the Polish Episcopate in a letter signed by Primate Jozef Glemp and Archbishop Bronislaw Dabrowski.

[Drozdz] It is no secret that journalists were submitted under martial law to certain checks because there was no press law and that as a result of this some people left the progression and others went to work for other papers.

[Urban] I also am not hiding the fact that had the press law already existed prior to 13 December 1981 -- a law whose draft the government has only now submitted to the Sejm for discussion -- then it could have become a legal base for the checks which were carried out in journalistic circles to bring about two desired effects, that is, to eliminate the sworn opponents of socialism from the profession, or more often, to propose that others change their place of work.

The things we are talking about and hence the way in which various programmed policy lines function in the press, the way they should and could do so within the political barriers which the law will map out, and in keeping with the principles of the Constitution, mean that there will be no room in the press, the radio, or television for journalists who would like to oppose these principles publicly and work against them. We should also stress that these solutions treat the different policy lines which appear in our press on an equal level.

[Drozdz] A lot of emphasis in the government's draft press law is put on the press' right to criticize all negative phenomena. However, let us all remember that we were never short of these kinds of declarations in the past.

[Urban] Both the press law on criticism as well as the duty of organizations and institutions to respond to it were indeed frequently the subject of political resolutions and government recommendations. Now, for the first time, the press law has the legal force of a normal law with regard to criticism, a force that undeniably raises the law's significance and strengthens it by a ban supported by a penal sanction that threatens the deprivation of freedom for up to 3 years for muffling criticism. With regard to criticism, never before has a law in Poland been so broadly or so forcefully formulated as has the press law.

[Drozdz] I have two more detailed questions to conclude with. Article 11 of the law, which speaks, among other things, of press spokesmen as people who convey information to reporters, does not bring to mind the best of experiences. Press spokesmen are, nevertheless, officials who are dependent on the heads of their institutions and can sometimes be a hinderance in a journalists' search for information. What then will this matter look like under the new press law?

[Urban] The press law makes it a legal duty to give information to the press and provides for penal sanctions for anyone wishing to evade it. I would advise you to study the whole of Article 11 more carefully. It clearly states who is authorized to impart information on behalf of a given institution. These are people such as the head, deputy head, press spokesmen, or other persons who have been authorized to do so by their managers.

A journalist in search of information can also turn to any other worker or citizen who can, however, speak only on his own behalf. If he is writing an article about the work of a ministry, then a journalist can obtain the ministry's official position from its head, its deputies, and its press spokesman, but he can also ask the janitor about relations within the ministry and can hear many interesting and critical remarks from him which will be useful in his article. Although the janitor cannot speak on behalf of the ministry, he does nevertheless have the right to give information. The janitor's supervisor has no right to victimize him for this.

[Drozdz] After the draft press law had been published in PRASA POLSKA I came across the opinion that the nationalization of television and radio relay stations, which was introduced under Article 30 of the law, could make these stations' programming fall in line with the wishes of management. Could you say anything to allay these fears?

[Urban] The main reason for this nationalization is to adopt a uniform system with regard to the ownership of this equipment, a system which would be in keeping with the law on state enterprises. At the moment, television and radio relay stations belong to various institutions and organizations which transmit from plants. The question of their ownership is frequently controversial. The uniform system proposed in the draft does not mean there is any intention or chance that plant programs will be made to fall in line with management, as you put it. Editorial teams alone will decide on the programs they will feature, teams that have been appointed on the basis of an agreement between political and social organizations, as well as workers' self-management bodies that are active in the plants. All we have to do is formalize the ownership statute concerning this equipment and ensure that the management of enterprises have the right to administer these stations should the need arise.

[Drozdz] And what about plant newspapers?

[Urban] This statute does not concern plant newspapers which, just like the entire press, belong to those who founded them, and so to management, to workers' self-management bodies, trade unions, and sometimes to all of them together if they founded the newspaper jointly.

CARDINAL GLEMP HOSPITALIZED; AILMENT UNDISCLOSED

Warsaw TV Report

LD091839 Warsaw Domestic Television Service in Polish 1730 GMT 9 Aug 83

[Text] The Secretariat of the Primate of Poland has announced that Cardinal Jozef Glemp, primate of Poland, has entered a hospital to undergo examinations.

Additional Information

NC091600 Paris AFP in English 1536 GMT 9 Aug 83

[Text] Warsaw, Aug 9 (AFP) -- Cardinal Jozef Glemp, Roman Catholic Primate of Poland, was hospitalised today for "a medical checkup," his secretariat announced here.

A spokesman said the ailment from which Mgr. Glemp is suffering is not a grave one.

"Ordinary persons," he said, "live with this kind of disease without problems, but as the primate is a public personality he has to be careful."

KATOWICE PAPER INTERVIEWS USSR'S ZAMYATIN

LD081640 Warsaw PAP in English 1417 GMT 8 Aug 83

[Text] PAP 2 Warsaw 8 Aug -- Director of the Information Department of the Central Committee of the Communist Party of the Soviet Union Leonid Zamyatin, examining the prospects for the world in an interview for the Katowice based *DZIENNIK ZACHODNI* expressed his optimism by stating that "the truth lies on the side of those forces which come for peace. Those forces keep on growing every day and embrace various strata of population in many countries, because people who form this movement in the defence of peace do not want annihilation of human civilization. On the contrary: They want to see the present and future generation to live in peace."

Leonid Zamyatin stated that "the determining strength of the socialist community, Poland included, has a sobering effect on all those who plan military confrontation. Thus, if one takes into consideration this might and the strength of the anti-war peace movement, one can draw the conclusion that the fatal inevitability of war does not exist. Never-the-less the defensive system of the socialist community has to be strengthened, if this is to be achieved. [quotation marks as received]

The director of the Information Department of the CC CPSU also expressed a view that two factors and conditions should prevent the outbreak of a war. "Most of all reason, which should prevail and triumph, but also the belief that all those who endanger the world with war will not escape from contractions if they unleash war."

"The understanding of all that is more and more visible and popular, also in the United States. And that totally denies the theory that the Atlantic Ocean could defend the territory of the United States", concluded Leonid Zamyatin.

POLISH-GDR ECONOMIC COOPERATION PROTOCOL SIGNED

LD082029 Warsaw Domestic Service in Polish 1900 GMT 8 Aug 83

[Text] The joint Polish-GDR working team has ended its meeting in Warsaw by signing a protocol on further development and intensification of scientific, technological, and economic cooperation in construction and building materials industry. Among the joint ventures which both countries are going to undertake it is worth mentioning the envisaged cooperation on third markets in construction exports.

U.S. SENATOR DODD RECEIVED BY SEJM OFFICIAL

LD091621 Warsaw Domestic Television Service in Polish 1730 GMT 9 Aug 83

[Text] American Senator Christopher Dodd, member of the Senate Foreign Relations Committee and chairman of the International Financial and Monetary Policy Subcommittee, is visiting Poland. At the Sejm the guest was received by Deputy Speaker Zbigniew Gertych. Christopher Dodd received a report on the situation in Poland and the role and activity of our Parliament for coming out of the crisis. Some aspects of Polish-U.S. relations were also a subject of the talks.

BRIEFS

FIRES DESTROY CROPS -- According to the main headquarters of the fire brigade, 188 fires broke out on 29 July, throughout the country, 106 of which were in rural areas and 32 in forests. On 30 July, 106 fires were recorded, 50 of which occurred on farms, with 10 cases of unharvested corn fields catching fire. On Sunday, fire brigades were as busy as they had been the previous day. Here are some typical examples from the past few days: In Marcelew, Bydgoszcz Voivodship, some 10 hectares of rye burned to the ground after catching fire from a spark from a passing steam train. In Niewiescin, in the same voivodship, 37 hectares of rye were also ravaged by fire. The reason for this was a spark from a Vistula harvester. In Radzieszyn, in the Wroclaw Voivodship, fire destroyed 6 hectares of rye, 2 hectares of straw, and 3 hectares of forest belonging to the Bierutow State Farm and several farmers. The fire was caused by a seizure in the bearing of a harvester's straw press. The reasons behind rural and farm fires are usually machinery which has not been properly serviced or is misused, human carelessness, and sparks from steam trains. Fire Brigade Headquarters has warned that it will apply to the State Insurance Bureau for a maximum limit to be imposed on claims for fires which have started through the fault of farm owners. [Text] [Warsaw TRYBUNA LUDU in Polish 1 Aug 83 p 2 AU]

MORE FIRES REPORTED -- According to the press spokesman of the Fire Brigade Headquarters, there were 464 fires on 2 August alone, which is a record postwar figure for fires on a single day. The highest number of fires was recorded in agriculture -- 307, and in forests -- 90. Grain-related fires occurred 122 times, with 270 hectares of grain destroyed. At the same time, 480 hectares of woods went up in smoke. [Summary] [Warsaw ZYCIE WARSZAWY in Polish 3 Aug 83 p 6 AU]

COAL EXPORT STATISTICS -- Warsaw 5 Aug (PAP) -- Polish coal exports increased by 5,521 thousand tons in the first seven months of this year from the level of the respective period last year and totalled 19,577 thousand tons worth 73.5 billion zlotys. Poland's leading coal buyers among the socialist countries are the Soviet Union, the GDR and Czechoslovakia, and her key Western customers are France, Italy, Brazil, the FRG, Finland, and recently also India, Algeria, and Malta, which have signed long-term contracts with the Polish Foreign Trade Center Weglokoks. All in all, Poland plans to export more than 34 million tons of coal this year. [Text] [Warsaw PAP in English 1706 GMT 5 Aug 83 LD]

NEW NIGERIA AMBASSADOR -- Warsaw 9 Aug -- Vice-Premier Janusz Obodowski received today in Warsaw the newly appointed Polish Ambassador to the Federal Republic of Nigeria Mieczyslaw Cielecki. The two discussed directions of actions to promote bilateral economic cooperation and trade. [Text] [Warsaw PAP in English 2036 GMT 9 Aug 83 LD]

KOMSOMOL VISITORS -- A group of over 100 young people from the Komsomol of the Soviet Union is staying at the Zarnowiec Atomic Power Station. Mieczyslaw Chabowski, secretary of the Voivodship Committee of the PZPR in Gdansk, visited the guests yesterday. The young Soviet students, scientific employees, and workers are helping build the power station, together with a local parish school. [Text] [Gdansk Domestic Service in Polish 0500 GMT 9 Aug 83 LD]

FRG FOREIGN MINISTER CONTINUES TALKS WITH ANDREI

Discusses Ties With Romania

AU091814 Bucharest AGERPRES in English 1804 GMT 9 Aug 83

[Text] Bucharest AGERPRES 09/08/1983 -- Talks were conducted at Neptun, on the Romanian Black Sea coast, on August 9 between Romanian Foreign Minister Stefan Andrei and Hans-Dietrich Genscher, vice-chancellor and minister for foreign affairs of the Federal Republic of Germany. During the talks, analysis was made of the current stage of the Romanian-West German relations and of the possibilities of developing them on multiple planes. International questions of mutual interest were also approached.

Urges Resettlement Reforms

LD091241 Hamburg DPA in German 1109 GMT 9 Aug 83

[Excerpts] Neptun/Constanta, 9 Aug (DPA) -- Federal Foreign Minister Hans-Dietrich Genscher has called on the Romanian Government to stop improper practices in the resettlement of Romanian Germans, which are incompatible with the agreements between Bonn and Bucharest. Genscher urged this today during a lengthy discussion with his Romanian counterpart, Stefan Andrei, at the resort of Neptun near Constanta on the Black Sea. Genscher was apparently referring to reports that Romanian lawyers and subordinate officials sometimes demand high bribes from those wanting to emigrate in order to process their emigration applications.

A large proportion of the discussion was devoted to economic relations between the Federal Republic and highly indebted Romania. Andrei stressed Bucharest's great interest in stepping up trade and in cooperation with West German industry. It was learned that Genscher promised to organize an industrial symposium in the Federal Republic to show German firms the opportunities for cooperation with Romania.

Affirms FRG Missile Stance

LD091919 Hamburg DPA in German 1808 GMT 9 Aug 83

[Text] Bucharest 9 Aug (DPA) -- In his second talk today with his Romanian colleague Andrei, Genscher emphasized that the quality of Bonn-Bucharest relations depended in part on the settlement of humanitarian questions. Solving problems in German-Romanian relations, he said, was in the interest of East-West relations overall. That included the Federal Republic's financial cooperation with the GDR. Genscher said in this context that he had noted with interest the statement by Erich Honecker, the chairman of the GDR Council of State, that his visit to Bonn had not been cancelled but only postponed. Genscher appealed to the Romanian Government to urge Malta not to block the conclusion of the CSCE review conference in Madrid any longer. The consensus principle at the conference must not be perverted by misuse.

Regarding the Geneva missile negotiations, Genscher renewed his appeal to the Soviet Union to clear the way for results by dropping its demand to include the British and French systems. He affirmed the Federal Government's attitude that, in line with the NATO twin-track decision, the deployment of missiles would begin unless a concrete result was achieved in Geneva by November.

Andrei expressed concern that East-West relations could be adversely affected unless every effort was made in Geneva to achieve a successful result. Romania too has an interest in working for a system of peace in Europe and can well understand the Federal Republic's special interest in overcoming the division of Europe.

BRIEFS

INCREASED MINING RESULTS -- Bucharest, AGERPRES 06/08/1983 -- All mining basins in Romania welcome Miner's Day, celebrated on August 7, with remarkable achievements. As compared to the same interval last year coal extraction in the first seven months of this year increased by 19.5 percent. That rise was of 22.3 per cent with lignite and 7.8 per cent with pit coal. The aforesaid achievements were an outcome of the application of a new working programme which has radically improved the use of equipment and of work time, contributing to a more rational distribution of labour and the commissioning of new extraction units at the appointed time. Bespeaking the contribution of the new units -- in Jilt-Sud (1,400,000 tons a year) and Rosiuta (750,000 tons a year) -- are the results scored in the first six months of this year when lignite production reached 4,415,000 tons. Furthermore, pit coal extraction plants (123,000 tons a year) were commissioned at mines in the Jiu Valley. [Bucharest AGERPRES in English 0902 GMT 6 Aug 83 AU]

IRRIGATION DRAINAGE OPERATIONS -- Bucharest AGERPRES 6/8/1983 -- Benefitting from investments worth more than 100 billion lei, the land melioration programme stipulates the performance of irrigation works on 5.5 million hectares of arable land until 1990, as well as drainage operations on five million hectares or so and soil-erosion-control works on about 3.8 million hectares. Irrigation operations were performed till the end of 1982 on almost 2.4 million hectares, as to 230,000 hectares in 1965, drainage works on 2.5 million hectares and soil-erosion-control operations on 1.7 million hectares. For this year, the programme envisages the performance of irrigation operations on a 535,262-hectare total area, like works being already done on 275,000 hectares or so. Operations will continue at a high rate and in 1985 four million hectares are to be irrigated. The water of the Danube will be also be used for irrigations. In order to permanently ensure the necessary water a national hydrotechnical system is planned to be built, encompassing the Danube-Jiu-Olt-Arges, Siret-Ialomita and Someş-the Cris rivers-Mures lines. These rivers are to be joined by a network of canals. [Bucharest AGERPRES in English 1319 GMT 6 Aug 83 AU]

'UNITY '83' MILITARY EXERCISE TO BE HELD IN SEP

LD091435 Belgrade TANJUG in English 0927 GMT 9 Aug 83

[Text] Belgrade, August 9 (TANJUG) -- A combined tactical exercise code-named "Unity '83" will be held in mid-September in the Yugoslav Republic of Macedonia.

The exercise is a part of regular defense training of members of the Yugoslav armed forces and the population. Beside units of the Yugoslav People's Army, territorial and civil defense units will also be taking part, it was announced today, Tuesday.

Yugoslavia has notified about the exercise all member countries of the Conference on Security and Cooperation in Europe and Albania, although that country is not a signatory of the Helsinki Final Act.

Although the "Unity '83" exercise will involve a lesser quantity of military equipment and under 25,000 participants -- the limit over which all military exercises have to be reported -- Yugoslavia has announced its holding.

The exercise is in the framework of the Yugoslav system of total national defense which embraces about 8 million people, or forty percent of the population.

The objective of the system is to capacitate the country for actions ranging from natural disasters to the defense of Yugoslavia's independence, sovereignty, territorial integrity and constitutional order.

JOINT OIL EFFORT WITH U.S. FIRM TO CONTINUE

AU091747 Belgrade POLITIKA in Serbo-Croatian 3 Aug 83 p 6

[R. Majstorovic report]

[Summary] "Kotor, 2 Aug -- The Adriatic Basic Organization of Associated Labor of the Jugopetrol Work Organization of Kotor and the U.S. firm Buttes Gas and Oil of California have signed an annex to their contract on joint exploration for oil and gas in Montenegro for the coming 5 years." The results of their search so far have been encouraging. Three boreholes have been sunk, and the third, called South Adriatic III, struck oil at a depth of 3,100 meters.

"For the time being, there is no question of exploiting oil from such a depth. There is no economic justification for it, Danilo Grba, engineering graduate, director of Adriatic Basic Organization of Associated Labor for exploration for oil and gas, told us today."

The exploration program provides that the foreign partner will invest at least \$30 million in four stages, about \$120 million in all during the coming 5 years. Three more boreholes are to be drilled. Over the last 10 years, foreign partners have invested about \$42.5 million.

Grba said that the coastal strip in Montenegro is also being explored for oil. Seismic data are being processed at the computer center of the Belgrade Geophysical Institute. The work is carried out jointly by Jugopetrol of Kotor and Naftagas of Novi Sad.

SUNDIC OPTIMISTIC OVER PLO COUNCIL SESSION

AU081931 Belgrade Domestic Service in Serbo-Croatian 1300 GMT 8 Aug 83

[Milika Sundic commentary]

[Text] If one judges by the test of the statement issued on the session of the PLO Central Council, the Palestinians are following the best path to overcoming the split in their ranks and, referring to Yasir 'Arafat and his adherents, to reaching reconciliation with Syria. It is a compromise of two currents within Fatah, which on the one hand confirms 'Arafat's leadership and on the other insists on more democracy and (? a reform) of the PLO institutions. In our opinion, the Palestine compromise does not jeopardize any of the principles of the struggle by the Arab people of Palestine to create an independent state on their own soil, nor the cooperation of the PLO with those forces in the world that help and support the Palestinian revolution.

Expressing regret that Syria has withdrawn its hospitality to Yasir 'Arafat, chairman of the PLO Executive Committee, the Central Council advocated that all disagreements with Syria be overcome as soon as possible. Considering that the representatives of both currents within Fatah have participated in the work of the Council, one should believe that Syria will accept the hand of conciliation or, rather, that it will not encourage dissidents in the PLO.

On the assumption that it will last, the Palestinian reconciliation will have tremendous significance for the further development of affairs in that part of the world. Above all, for the Palestinian revolution this would be the only way out of the difficult situation in which the Palestinians found themselves in recent weeks, when tragic clashes occurred in their ranks and the Syrians became involved on the side of 'Arafat's adversaries. After all, the Palestinians have been the most called upon to clear up the disagreements in their ranks and to subordinate all their differences to the aims of the revolution.

Of course, it would be logical to suppose that all the progressive forces in the Arab world will stand behind Palestinian reconciliation or, more precisely, that the Palestinian compromise will not be looked upon as a victory of one side and a defeat of the other within the PLO. The fact that the 3-day meeting of the Council passed without conflict and without searching for guilt on one side only constitutes a new confirmation of the strength of the Palestinian revolution and the clarity of the aims it is striving for.

The clash with Syria -- even though it was not merely a matter of a tragic misunderstanding -- had to be overcome, for without the Syrian rear area, the existence of the Palestinians [words indistinct] would be practically impossible. It is true that when we speak about the Syrian rear area, it does not at all mean that it gives Syria the right to interfere in the internal affairs of the PLO. Indeed, the Palestinians also have the obligation to be guided by the same aim in their relations with Syria.

It is perhaps too early to talk about Yasir 'Arafat's arrival in Damascus. However, Syria would do a great thing if it initiated 'Arafat's return, for this would enable the leader of the Palestinian revolution to be again among his fighters in Lebanon. After all, since the PLO Central Council has taken a clear stand on the Camp David agreements and the U.S. policy in the Middle East -- which was one of the basic Syrian reproaches to Yasir 'Arafat and his adherents -- Syria practically no longer has even any formal reasons for accusing 'Arafat of being a traitor to the Palestinian revolution, for he never was one.

FOREIGN TRADE DATA WORRY BUSINESSMEN

AU090811 Belgrade POLITIKA in Serbo-Croatian 5 Aug 83 p 2

[Text] Yugoslav exports to developing countries for the first 6 months of this year barely exceeded \$1 billion and were only a few percentage points higher than during the same period of last year. Therefore, we are not even close to the planned increase of 20 percent. According to the latest data, exports to developing countries in July are stagnating. The value of purchases from developing countries in the first half of this year amounts to nearly \$700 million. Compared with last year's January-June period, this means a decrease by as much as 35 percent. These data, provided by the Institute for Foreign Trade (Belgrade), which do not differ significantly from official statistics, seriously worried the businessmen gathered at the Yugoslav Chamber of Economy yesterday.

AGRICULTURAL, NOT INDUSTRIAL, PLAN FOR KOSOVO

AU091238 Belgrade BORBA in Serbo-Croatian 4 Aug 83 p 4

[Summary] Pristina, August -- The way out of underdevelopment for 12 Kosovo communes will not be sought by constructing big factories, but by advancing agriculture. "A sum of \$128 million has been ensured to develop agriculture in 12 underdeveloped communes: Vitina, Lipljan, Podujevo, Glogovac, Srbica, Vucitrn, Klina, Istok, Decani, Suva Reka, Dragas, and Leposavic. A regional project to develop agriculture in these communes up to 1985 has been prepared and worked out in detail." The 12 communes embrace 44.6 percent of the territory of Kosovo and 48 percent of the Kosovo population, or 668,000 people. Out of the 80,000 families living there, 41,000 make their living exclusively from agriculture.

"In realizing the regional project to develop agriculture in the 12 least developed communes of Kosovo, nothing has been left to chance. Everything has been planned in detail, for one does not want to repeat some earlier situations, where agriculture funds were used for other purposes. Now one knows exactly that 60 percent out of \$130 million [as published] will be invested in constructing small farms for sheep and cattle, and in new vineyards and orchards." The remainder will be used for ancillary projects. The Bistrica River in Decani commune and the Morava in Vitina commune will be dammed to provide water for irrigation. Some 36 repair centers for agricultural machines, 60 cooperative centers to help farmers, and 30 milk-purchasing stations are planned.

By 1985, a doubling of the present 350,000 sheep in Kosovo is planned. Loans will be available to 5,000 private farmers to build sheep, cattle, and pig farms. Loans will also be available for planting vineyards and orchards, for beekeeping, and for purchasing 700 tractors. Irrigation equipment will be provided, and 400 wells will be dug. The World Bank has provided \$70 million for this project, the federation will provide \$72 million, and the agricultural producers must supply \$29 million. According to some forecasts, 50,000 people will gain employment.

"It is asserted in the Kosovo Cooperative Federation and in the Committee for Agriculture and Forestry that the earlier mistakes will not be repeated and that everything is now worked out in detail. It is stressed that the manner of work and operations will also be negotiated at the same time that contracts are negotiated with agriculturists. Agriculturists will repay their loan obligations with agricultural produce. In fact, the purpose of the entire business is to provide production for the market and for exports."